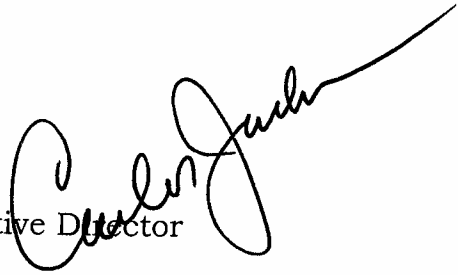


Housing Authority - County of Los Angeles

March 30, 2007

To: Each Supervisor

From: Carlos Jackson, Executive Director



SUBJECT: HUD - OIG FINDINGS REPORT ON HOUSING QUALITY INSPECTIONS

In my previous reports to your Board regarding the Troubled status of the Section 8 program, I indicated that we would be receiving various OIG audit reports and the first is their draft report on our Housing Quality Standards (HQS) inspections. I have attached our formal response and the draft report, both of which have been provided to your respective deputies. In speaking with the local OIG, they indicated to me that the draft report will be finalized, with our response, and released publicly either on Monday or Tuesday of next week.

The OIG draft report identified two findings relative to the HQS inspections conducted by this agency. From a sample of 68 units that we had inspected over a three-year period, the OIG staff re-inspected them and noted that: (1) 51 of the 68 units did not meet HUD's inspection standards; and (2) we were delinquent in conducting timely inspections. The deficiencies in the 51 units have been re-inspected and corrected. Operational procedures have been established to specify the scheduling of inspections and the application of HQS requirements. A formal training session for my inspection staff has been scheduled to further the understanding and application of HQS.

Our reply indicates that due to a new management plan for inspections, we have dramatically improved this area of the Section 8 program. The following was highlighted in our response:

1. As of March 1, 2007, the delinquency rate in the conduct of annual inspections is now 8%, which is within HUD's acceptable standard. Please note that on July 1, 2006, we were at 34%.
2. At the time the audit was conducted, the average time of re-inspecting failed units was 31 days. Our average time now is 26 days.
3. Current annual inspections are completed two months in advance of the effective date. This new plan has resolved the matter of delinquent inspections.

Each Supervisor
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If you should have any questions regarding either the audit report or my reply, please call me at (323) 890-7400. Please note that the OIG was provided with an electronic file of our documented operational and programmatic changes in place today. Because this file is extremely large, I did not provide a copy at this time. One can be provided should you wish to have it.

CJ:sm
Attachments

c: Each Deputy